

CITIZEN'S REVENUE REVIEW AND ECONOMIC COMPETITIVENESS COMMISSION

MEETING MINUTES FOR THURSDAY JANUARY 7, 2010, AT 4:00 P.M.

**CONFERENCE ROOM A (12TH FLOOR),
CITY ADMINISTRATION BUILDING
202 C STREET, SAN DIEGO, CALIFORNIA**

NON-AGENDA PUBLIC COMMENT –

None

COMMISSIONER COMMENT –

None

CITY ATTORNEY, IBA, AND CITY AUDITOR COMMENT –

None

ADOPTION AGENDA

Approval of the Record of Action Items for January 7, 2010

ACTION: Motion by Mr. Morton, second by Ms. Moser, to approve.

VOTE: 7-0; Nelson- yea, Moser-yea, Morton- yea, Barros-yea, Bonanno-yea, Gin- not present, Standifird-yea, Singh-yea

INFORMATION/DISCUSSION ITEMS

ITEM-I Report from the Citizen's Fiscal Sustainability Task Force: Status

Members of the Citizen's Sustainability Task Force (CSFT), led by Vince Mudd, discussed information from the CSTF's final report. Other presenters included Richard Vortmann and William Roper. The presentation's focus was two-fold, CSTF's conclusions, as outlined in the final report, and a response to questions and comments submitted by CRRECC prior to this meeting.

To review the CSTF's final report click [here](#). (Insert hyperlink to CSFT's final report).

Commissioners' questioned the impact of the CSFT's recommendation to declare the City of San Diego in state of fiscal crisis. CSFT was confident that this declaration would be a catalyst for the City to move forward, acknowledging the problem is the first step in beginning to resolve the problem. Businesses do not want to see a structural deficit; rather they want to see the City taking action to reestablish fiscal stability.

Commissioners asked CSTF to discuss how it was determined that the unit cost of labor was too high in City of San Diego. CSTF, using the 2010 budget, took the total dollars spent on all employee salaries and fringe divided by the total number of employees and yielded the average PE cost at \$74,000. The median income in the City of San Diego is \$33,000, a difference of \$41,000.

CSTF also mentioned that the City has reduced the number of employees since 2005; however the City is spending more on labor in 2010. Ultimately, CSTF argues that the City would benefit from operating more like a business.

CSTF discussed the concept of a “poison pill”. The City Charter, currently, requires the budget to be balanced at the start of a fiscal year. CSTF recommends a revision to the City Charter which would force the City to maintain a balanced budget throughout the year. If the budget was not balance the City would be forced to take immediate action, making cuts and fee changes.

CSTF briefly discussed citizen input and revenue suggestions. CSTF’s presentation concluded with a discussion on fiscal responsibility. Arguing that, although it is important to look at generating revenue, the City needs to operate under the assumption that no new revenue will be generated and focus on the question of: What can we afford with the resources currently available?

ITEM-2 Update on the City Services Survey from the Independent Budget Analyst

Dr. Singh: Comments on the survey questions.

The IBA presented the most recent draft of the City Services Survey and provided the Commissioners an opportunity to provide feedback regarding type, order and necessity of questions.

Hyperlink: IBA Presentation

Commissioners made a number of recommendations for the IBA to consider. The discussion centered primarily on the length of the survey, synthesis of services, appropriateness of the questions (ex: Do you like living here? vs. Would you recommend living here?) and the rating scale (1-10 vs 1-5).

ITEM-3 Commission discussion on Revenue Review

Led by Roque Barros, Vice Chair, the Commission had an open-ended discussion on the topic of Revenue Review. The discussion focused on areas Commissioners would like to evaluate as potential sources for revenue. Due to time restraints the Commissioners decided to continue the exploration of this topic at the 2/11/10 meeting.

ITEM-4 Commission discussion on outside venues

Discussion was postponed to a later date.

ITEM-5 Revenue Audit

- None

ITEM-6 Economic Competitiveness

- None

ITEM-7 Peer Review

- None

ITEM-8 Commission Administration

The Commissioners discussed adjusting the current framework for meetings. The

recommendation was to have longer or more frequent meetings. The Commission will make a decision regarding scheduling at the next meeting.

Bob Nelson
Chair